

CCG Finance Update

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Andrew Burwell

Jo Shotton

John Obeng

Deputy Chief Finance Officer

Assistant Chief Finance Officer

Planning Accountant

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Background

- In June 2018 the Government announced a new funding settlement for the NHS that would provide an additional £20.5 billion in real terms by 2023/24.
- In response to this the NHS has developed a Long Term Plan which was published on Monday 7th January 2019.
- The CCG strategy is aligned to this national approach and will involve building capacity and capability in primary and community care (left shift).
- This will involve treating more patients in primary or community settings and reducing referrals to secondary care.
- This approach will also require a shift in funding whilst ensuring service sustainability.
- Alongside this plan Clinical Commissioning Group (CCG) draft 5 year allocations and 2019/20 planning guidance were released on the 10th January.
- 2019/20 is the foundation year which will see significant changes to the architecture of the NHS, laying the groundwork for implementation of the Long Term Plan.

Key Planning Requirements for 2019/20

- National Planning Guidance stipulated specific key requirements:

Commissioner Planning Requirement:	Included in 2019/20 Plan
Achieve Control Total issues by NHSE	✓
Hold an uncommitted contingency of 0.5%	✓
Admin costs must remain within running allowance	✓
Prepare for a 20% reduction in running allowance in 2020/21	✓
Mental Health Investment Standard (MHIS) - Increase mental health investment in line with allocation increase or higher	✓
General Practice Forward View (GPFV) - Increase investment in primary care in line with allocation increase or higher	✓
Invest £1.50 recurrently in Primary Care Networks (PCN)	✓

- The CCG submitted the final 2019/20 financial plan to NHSE on 15th May 2019

CCG Allocations

Revenue Resource Limit (£'000)	Nene	Corby	Northamptonshire
Original Programme Baseline	846,905	106,359	953,264
Recurrent Changes In-Year	2,278	109	2,387
Primary Care Co-Commissioning	-	11,357	11,357
Running Cost Allocation Recurrent	13,802	1,560	15,362
Total Notified Allocation	862,985	119,385	982,370

Growth in Baseline Allocation	5.7%	6.6%	5.8%
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Distance from Target	-0.88%	0.24%	-0.76%
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- The Northamptonshire commissioners have received a combined uplift of 5.8% in allocation for 2019/20.
- The uplift includes pass-through payments and changes to commissioning responsibility ie. Provider Sustainability Fund, Specialist Activity changes, Ambulance resilience, paramedic re-banding funding and Primary Care Enabling Services.
- The Northamptonshire distance from target is now -0.76% which is due largely to a change in the formula for calculating CCG target allocations.

Core Allocation	2020/21		2021/22		2022/23		2023/24	
	Allocation	% uplift	Allocation	% uplift	Allocation	% uplift	Allocation	% uplift
Nene	883,120	4.3%	920,403	4.2%	957,659	4.0%	994,364	3.8%
Corby	111,795	5.1%	117,333	5.0%	122,843	4.7%	128,254	4.4%
Northamptonshire	994,915	4.4%	1,037,736	4.3%	1,080,502	4.1%	1,122,618	3.9%

- 5 Year CCG Core allocations have been published,
- Annual uplift reduces each year.

2019/20 Expenditure Summary

2019/20 Draft Financial Plan	Unmitigated £'000s
Revenue Resource Limit	
Recurrent	982,306
Non-Recurrent	-
Total In-Year allocation	982,306

Income and Expenditure	
Acute	565,482
Mental Health	101,172
Community	90,749
Continuing Care	61,857
Primary Care/Prescribing	137,725
Other Programme	20,788
Primary Care Co-Commissioning	11,030
Total Programme Costs	988,802
Running Costs	15,362
Contingency	4,912
Required Surplus	2,740
Total Costs	1,011,816

Efficiency Requirement	(29,510)
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Control Total	0
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- The CCG does not currently have sufficient savings schemes to mitigate the size of the Financial Gap.
- The assessment of the current QiPP schemes gives a total of assured schemes of only £9.2m.
- Unassured schemes amount to £13.4m.
- This leaves an unidentified gap of £6.8m.
- Non Recurrent Financial Mitigations will be required if additional transformation is not found in year. This directly impacts the underlying financial position of the CCGs.

Balancing The Plan	£'000
Financial Gap	-29,510
Assured QiPP schemes	9,249
Unassured QiPP Schemes	13,421
Required Non-Recurrent Financial Mitigation	6,841
	0

Current Position 2019/20

Nene Activity -April 18 vs April 19

Activity	2018/19 April	2019/20 April	Variance
GP Referrals	10,116	11,464	13.3%
Day Case	6,157	6,718	9.1%
Elective	855	956	11.8%
Outpatient First	15,723	17,943	14.1%
Outpatient Follow Up	37,969	35,750	-5.8%
Outpatient Procedure	11,633	11,277	-3.1%
Non Elective 0 day	2,075	2,467	18.9%
Non Elective 1+ day	3,745	3,942	5.3%
A&E	14,057	15,231	8.4%

- The April activity data shows increases in most areas against the same period last year.
- Efficiency schemes forecast under-delivery.

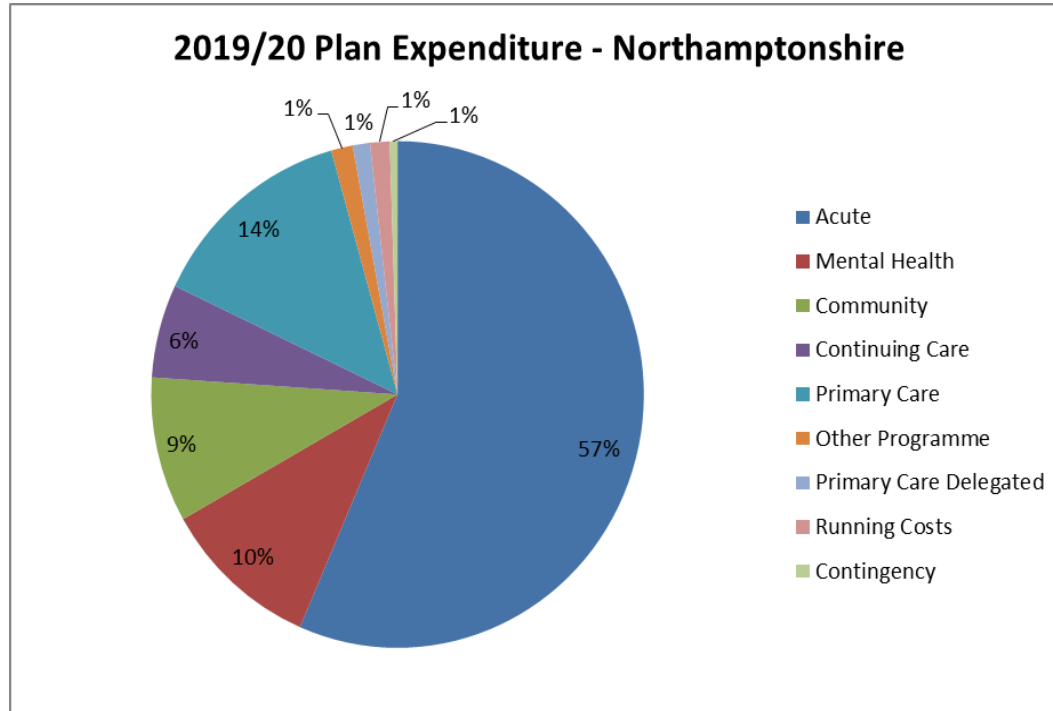
Finances:

Month 1 data - already experiencing cost pressures;

- Over-performance at NGH & KGH of £1.1m. (NEL, A&E, EL & DC)
- Continuing Healthcare (CHC) cost pressure of £0.4m
- Mental Health Individual Packages of Care cost pressure of £0.2m

If we don't stop the current run rate these pressures will increase to circa £20m by year end.

Supporting the Left Shift



- The challenge for the CCG's is to invest in primary and community services whilst supporting our secondary care providers to return to a balanced financial position by providing sustainable care services.
- Therefore the CCGs needs your support to develop transformation schemes which support this approach.

Questions?